

## RALEIGH-DURHAM AIRPORT AUTHORITY

### MINUTES

July 20, 2000

Chairman Winston presided. Present: members Clancy, Gibbs; Hyler; Parker; Sparrow and Toler. Absent: member Teer. Also present: Airport Director Brantley; Deputy Airport Director Shackelford; Assistant Director for Facilities Powell; Assistant Director for Marketing Damiano; DBE Program Officer Umphrey; Program Manager Edmondson; Program Manager Cayton; Program Manager Quesenberry; Noise Officer Tovar; Environmental Officer Gilkinson; Finance Manager Barritt; Training Supervisor Bell; Training Officer Harleston; Properties & Insurance Officer Quinn; Public Affairs Manager Blanton; Public Affairs Specialist Persson; Information Systems Supervisor Schiller; Accounting Technician Marion; Purchasing Officer Thompson; Maintenance Manager Fulp; Operations Manager Nelson; Acting Parking Manager Burgess; Ground Transportation Manager Odom; Emergency Services Manager Thompson; Operations Officer Flournoy; Assistant Law Enforcement Manager Gilsdorf; Volunteer Coordinator Angelucci; Administrative Support Assistant Gray; Executive Assistant Mitchell and Attorney Tatum.

Guests: Chris Slagle, Enterprise Leasing Company-Southeast; Richard Strandling, The News & Observer; Michael Wheat, Salomon, Smith Barney; Judith Burnham and Walter High, The Book Cellar; Ginger Reynolds and Dick Dickson, The Paradies Shops, Inc.; Betty Fisher, American Airlines; Ray Quinton, Cherry, Baekert & Holland; Senator Howard Lee and Bernie Hinson, Lee Airport Concessions; Cedric Nelson, Superior Shine; and Reverend Dennis Stiles, Airport Chapel Committee.

**APPROVAL OF AGENDA** – A report from the Land & Development Committee was removed from the agenda. There were no other changes or additions to the agenda, and it was approved as submitted.

**APPROVALS OF MINUTES** – There were no changes to the minutes of the June 15, 2000 meeting, and they were approved as submitted.

**CHAIRMAN'S COMMENTS** – Chairman Winston advised he had no comments at this time.

**OPERATIONS COMMITTEE** – Member Sparrow reported the Committee met on July 19, 2000 and discussed the following items:

- 1) *Request of the North Raleigh Exchange Club to install an Exchange Clubs "Freedom Shrine" at an appropriate location on the airport.* The Committee discussed issues associated with this request and concluded that the matter should remain within the committee and be tabled indefinitely pending review and consideration of other issues related to airports as public fora and the application of the First Amendment to the U.S. Constitution.
- 2) *Recommendations of the Proposal Review Committee for selection of food/beverage and retail prime and sub concessionaires for terms beginning January 1, 2001 subject to negotiation and approval of lease agreements with the prime concessionaires.* All of the food/beverage and retail concession contracts in both terminals will expire on December 31, 2000. Proposals for these concessions for terms beginning January 1, 2001 were solicited and received and have been reviewed by a Proposal Review Committee consisting of staff, Attorney Tatum, representatives of American and Midway Airlines, and Ann Ferraguto of concessions planning consultants Leigh Fisher Associates. The available concessions opportunities were divided into five (5) prime concessionaire packages. The Review Committee has concluded its work and recommended the following prime concessionaires:

- (a) For the primary food/beverage package, Anton Airfood, Inc. of Washington D.C., including the concession concepts Jump; A &W All American Food; Golden Corral Express; Popeyes Chicken and Biscuit; RapiDOS; Carolina Varsity; Green Leaf's Grill with AJ's Tavern; Triangle Cyber-Café; 42<sup>nd</sup> Street Oyster Bar; Jersey Mikes Subs; Maui Tacos; Pinehurst Microbrewery; and Carolina Corks and Kegs.
- (b) For the snack food/beverage package, Lee Airport Concessions, Ltd. Of Raleigh, including the concession concepts Vie de France Bakery; Seattle's Best Coffee; Juice CaBana; and Gelato Amare.
- (c) For the primary retail merchandise package, The Paradies Shops, Inc. of Atlanta, including the concession concepts Atlantic Cost Conference Shop; Details; PGA Tour Shop; Press/Press Plus; A Southern Season; and The Book Cellar.
- (d) For the bookstore package, RDU Air Ventures (a joint venture of W.H. Smith Company of New York and London and Shaw Foods of Fayetteville), including the concessions concepts WHSmith books.co; and WHSmith newsstands.
- (e) For the duty free/duty paid package, World Duty Free Airports (Midwest), Inc.

The Committee recommended approval of all concessionaire selections recommended by the Proposal Review Committee.

- 3) Staff recommendations for modifications to the Authority's Ground Transportation Ordinance as related to proposed changes in the Taxicab Rules, Regulations and Procedures in order to improve customer service, particularly as it pertains to ensuring availability of taxicabs when customers require service. The Committee reviewed a proposal submitted by Ground Transportation Manager Odom to amend the Ground Transportation Ordinance. In conjunction with procuring and installing an Automated Vehicle Identification (AVI) system, the proposed amendments and associated revisions in the Taxicab Operating Rules, Regulations and Procedures would permit staff to implement, monitor and enforce a taxicab work schedule intended to ensure availability of taxicabs at the Airport at all times when service is needed. Currently, there frequently are shortages of Airport-licensed taxicabs during early morning, late evening and weekend periods. The Committee recommended that the necessary amendments to the Ordinance be drafted and brought to the Committee for consideration, that the associated revisions to the Taxicab Operating Rules, Regulations and Procedures also be drafted, and that procurement and installation of the Automated Vehicle Identification system proceed in order to remedy deficiencies in taxicab customer service and improve management of the operation.

Member Sparrow made a motion, seconded by Member Hyler, to approve the recommendations of the Operations Committee. Adopted.

**LAW, FINANCE & PERSONNEL COMMITTEE** – Member Gibbs reported the Committee met on July 20, 2000 and discussed the following items:

- 1) Report by Cherry, Bekaert & Holland of their audit of the Authority's operating accounts and report to the Federal Aviation Administration on use of Airport revenues for the fiscal year ended March 31, 2000. Ray Quinton of Cherry, Bekaert & Holland presented and reviewed the key points of the audit report and the report to the FAA. The purpose of the audit is to receive independent verification that the Authority has recorded and accounted for its financial transactions in compliance with generally accepted accounting principles. The audit report included a clean opinion regarding the Authority's financial records, the highest level of

assurance. No management letter was found to be needed nor provided. Finance Manager Barritt reported the Authority received two-thirds of its FEMA claim for recovery of costs incurred in cleaning up after the January 25-26, 2000 snowstorm, amounting to approximately \$160,000. The State portion of the FEMA claim has not yet been received. The Committee recommended accepting the audit report.

- 2) Staff recommendation for retention of a financial consultant to assist in development and implementation of a financial plan for the proposed capital improvements program. Finance Manager Barritt reported that a consultant was needed to provide airport financial consulting services in conjunction with development of a Financial Plan covering the Capital Improvements Program and to perform a Feasibility Study for use in procuring the financing needed for construction of Parking Garage IV. Staff received proposals from five firms and interviewed representatives of the firms of Landrum and Brown, Leigh Fisher Associates and PB Aviation. Leigh Fisher Associates was judged to have submitted the best proposal based upon creativity, availability and caliber of employees. The length of the firm's engagement will be approximately four months. The Committee recommended engaging Leigh Fisher Associates to serve as the financial consultant.
- 3) Budget adjustment for Secure Area Access Control System Upgrade, RDU #010319. Assistant Finance Director Page reported that a budget adjustment was needed to complete the Secure Area Access Control System upgrade and pay for all costs outstanding. This adjustment will increase the budget from \$220,000 to \$236,000. The Committee recommended increasing the budget for the Secure Area Access Control System Upgrade from \$220,000 to \$236,000.
- 4) Acceptance of an Avigation Easement over ±10 acres of property on Fortune Way northeast of the Airport offered at no cost to the Authority by its owners in connection with City of Raleigh zoning case Z-56-2000. Airport Directory Brantley reported that an unrestricted avigation easement had been offered at no cost to the Authority by the owners of the subject property that will provide the Airport an unrestricted right of overflight and right to create noise, fumes, and other noxious odors over the property. The Committee recommended accepting the easement.
- 5) Staff recommendation of a firm to provide architectural and other professional services for renovation of existing and development of new concessions in Terminals A and C, Terminals A & C Concessions Renovation, RDU #070349. Business Development Officer Hairston reported that staff recommended selection of a firm to provide architectural and other services in connection with implementation of the new Terminal Concessions Program. A Request for Qualifications and Expression of Interest was issued to 61 firms. Of those firms, nine submitted Statements of Qualifications. Four of the nine firms -- Architectural Alliance; Corgan; Daroff Design, Inc. and ZHA, Inc. -- were issued a Request for Proposals, and representatives of Architectural Alliance and ZHA were interviewed. Architectural Alliance was judged to have submitted the best proposal. Architectural Alliance proposed to use as subconsultants ATEWPA for local architectural support and coordination, POLY TECH for engineering, and Corporate Design Works to refine logo/graphics developed for the program. The Committee recommended authorizing staff to commence negotiations with Architectural Alliance.

Member Gibbs made a motion, seconded by Member Hyler, to approve the recommendations of the Law, Finance and Personnel Committee. Adopted.

**NCDOT DIVISION OF HIGHWAYS LEASE AGREEMENT** – Properties & Insurance Officer Quinn reported on the proposed new lease agreement with the State of North Carolina, Department of Transportation, Division of Highways for the 3,545 s.f. office building located at 3700 Lumley Road at Mt. Herman Road for continued use as the Division of Highways' Resident Engineer's Office. The rent will be \$31,018.75 per year/\$2,584.90 per month for a three-year term beginning August 1, 2000 and extending through July 31, 2003.

Member Sparrow made a motion, seconded by Member Parker, to approve the proposed lease agreement with the State of North Carolina, Department of Transportation, Division of Highways. Adopted.

**ENTERPRISE LEASE AGREEMENT** – Properties & Insurance Officer Quinn reported on the proposed lease agreement with Enterprise Leasing Company – Southeast, which covers 64,769 s.f. of land adjacent to the Alamo Rent a Car facility on Trade Drive. The ground rent will be \$539.74/month, and Enterprise also will pay 10% of all gross sales from the premises as a concession fee. Enterprise will provide car rental service and construct, at its sole cost and expense, a servicecenter facility that will contain offices for its business. The Concession and Servicecenter Facility terms will run concurrently and commence on the Date of Beneficial Occupancy of the servicecenter, extending through March 31, 2005. The Date of Beneficial Occupancy is required to be not earlier than December 1, 2000 nor later than March 1, 2001. Construction is to commence by November 1, 2000.

Member Gibbs made a motion, seconded by Member Parker, to approve the lease agreement with Enterprise Leasing Company – Southeast. Adopted.

**MEMBER COMMENTS/REPORTS** – Member Hyler commented that the Aircraft Noise Abatement Committee has not met in several months. Staff is continuing to work on the suggested changes to guidelines for operation of the proposed permanent noise monitoring system and will report at the next Authority meeting.

**GENERAL COUNSEL'S REPORT** – Attorney Tatum requested that the Board go into Executive Session at the end of the meeting to discuss acquisition of property.

**AIRPORT DIRECTOR'S REPORT** –

- Enplaned passengers for June 2000 totaled 485,244 versus 415,190 for June 1999 for a 16.9% increase. Year-to-date 2000 enplanements totaled 2,507,116 versus 1,999,822 for 1999 for a 25.4% increase.
- Deplaned passengers for June 2000 totaled 474,882 versus 417,297 for June 1999 for a 13.8% increase. Year-to-date 2000 deplanements totaled 2,523,733 versus 2,010,591 for 1999 for a 25.5% increase.
- Enplaned air cargo for June 2000 totaled 11,277,621 pounds versus 10,262,447 pounds for June 1999 for a 9.9% decrease. Year-to-date 2000 enplaned air cargo totaled 63,117,716 pounds versus 59,038,514 pounds for 1999 for a 6.9% increase.
- Deplaned air cargo for June 2000 totaled 11,638,421 pounds versus 11,097,813 pounds for June 1999 for a 4.9% increase. Year-to-date 2000 deplaned air cargo totaled 65,317,935 pounds versus 60,904,450 pounds for 1999 for a 7.2% increase.

- Weekday scheduled flight departures for June 2000 totaled 300 versus 267 for June 1999 for a 12.4% increase.
- Aircraft operations for June 2000 totaled 25,019 versus 25,509 for June 1999 for a 1.9% decrease. Year-to-date 2000 aircraft operations totaled 145,289 versus 142,097 for 1999 for a 2.2% increase.
- The number of taxicab trips taken during June 2000 totaled 12,226 versus 11,600 during June 1999 for a 5.4% increase. Year-to-date 2000 taxicab trips totaled 70,299 versus 59,567 during 1999 for an 18% increase.
- Airport Director Brantley asked Deputy Directory Shackelford to report on Ground Transportation activity for June 2000. A 27.75% increase in total passengers transported on the shuttle buses was experienced versus June 1999. Bus mileage increased by 24.19% and fuel used increased by 44.31%.
- CNN Airport Channel video insertion equipment is now online and working. Four and one-half minutes (4 ½) every half hour can be used for local programming. Scheduling can be controlled and programmed from the Authority Offices. All costs of the equipment were covered by CNN.
- On July 15 the Airport experienced a severe electrical storm, resulting in the parking reporting system being rendered inoperative that night. Inventory controls in the parking decks and the flight inventory display system in Terminal A were adversely affected. Staff currently is working to bring both systems back on line as quickly as possible.
- Construction of the Park & Ride Lot 3 expansion is progressing satisfactorily.
- The new elevator shaft on the landside face of Terminal A is finished, and the curbside canopy has been reconstructed.
- Construction of the Terminal A interim south concourse is about to get underway and is scheduled to be completed in the Spring of 2001.
- Apron pavement repairs at several existing gates at Terminal A currently are being completed. Concrete pads are being installed under the landing gear of the parked aircraft.
- Relocation of T-hangar tenants in the general aviation area is nearly complete.
- As a result of a surprise health inspection on Saturday, June 17, 2000, the sanitation ratings of several of the Terminal A food service facilities were temporarily compromised. Nothing was found to be a significant public health issue. The principle issues were dust on a refrigerator seal and a broken temperature gauge on a dishwasher unit. All cleanliness issues were immediately addressed and corrected, repairs were made as soon as possible, and at the subsequent reinspection all facilities received an "A" rating.

#### **EXECUTIVE SESSION –**

Member Clancy made a motion, seconded by Member Toler, to go into Executive Session for the purpose of discussing acquisition of property.

Member Clancy made a motion, seconded by Member Toler, to return to Open Session.

**ADJOURNMENT** - There being no further business, Chairman Winston adjourned the meeting.

Respectfully submitted,

David T. Clancy, Secretary

CORRECT ATTEST:

Robert Winston, III, Chairman